

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff

v.

AMIT MATHUR, RAJEEV JOHAR and ENTRUST
CAPITAL MANAGEMENT, INC.,

Defendants

and

AMR REALTY, LLC

Relief Defendant

CIVIL ACTION NO.:
05-cv-10729-MLW

DEFENDANT RAJEEV JOHAR'S ANSWER TO AMENDED COMPLAINT

Defendant Rajeev Johar ("Johar"), for his Answer to the Amended Complaint of the Securities and Exchange Commission ("SEC"), states as follows:

1. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.
2. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.
3. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

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4. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

5. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

DEFENDANTS

6. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

7. Mr. Johar admits he resides in Louisiana, and declines to answer further and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

8. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

RELIEF DEFENDANT

9. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

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FACTS

10. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

Entrust's Investments in Marketable Securities

11. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

12. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

13. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

14. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

15. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

Entrust's Real Estate Ventures

16. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

17. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

18. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

19. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

Entrust and AMR Realty Bank Accounts

20. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

21. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

22. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

Mathur's Misappropriation of Client Funds for Personal Gain

23. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

24. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

Johar's Misappropriation of Client Funds for Personal Gain

25. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

Mathur's and Johar's Secret Commission Kickback Deal

26. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

Defendants' Material Misrepresentations to Investors

27. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

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28. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

29. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

30. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

31. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

32. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

Misrepresentations to David Massad

33. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

34. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

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35. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

36. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

37. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

38. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

39. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

Misrepresentations to Other Investors

40. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

41. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

42. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

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48. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

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49. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

50. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

The “New and Improved” Account Statements

51. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

52. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

Penalties

53. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

**FIRST CLAIM FOR RELIEF
AGAINST MATHUR, JOHAR AND ENTRUST
Fraud in the Offer and Sale of Securities
[Violation of Section 17(a) of the Securities Act]**

54. Defendant Johar repeats and restates each and every one of his responses to the allegations in paragraphs 1-51 of the Amended Complaint as if set forth fully herein.

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55. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

56. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

**SECOND CLAIM FOR RELIEF
AGAINST MATHUR, JOHAR AND ENTRUST
Fraud in Connection with the Purchase and Sale of Securities
[Violation of Section 10(b) of the Exchange Act and Rule 10b-5]**

57. Defendant Johar repeats and restates each and every one of his responses to the allegations in paragraphs 1-51 of the Amended Complaint as if set forth fully herein.

58. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

59. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

**THIRD CLAIM FOR RELIEF
AGAINST MATHUR, JOHAR AND ENTRUST
Fraudulent Scheme or Devise By an Investment Adviser
[Violation of Section 206(1) of the Advisers Act]**

60. Mr. Johar repeats and restates each and every one of his responses to the allegations in paragraphs 1-51 of the Amended Complaint as if set forth fully herein.

61. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

62. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

**FOURTH CLAIM FOR RELIEF
AGAINST MATHUR, JOHAR AND ENTRUST
Fraudulent Transaction, Practice, or Course of Business by an Investment Adviser
[Violation of Section 206(2) of the Advisers Act]**

63. Mr. Johar repeats and restates each and every one of his responses to the allegations in paragraphs 1-51 of the Amended Complaint as if set forth fully herein.

64. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

65. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

**FIFTH CLAIM FOR RELIEF
AGAINST MATHUR AND JOHAR
Fraudulent Scheme or Device By an Investment Adviser
[Aiding and Abetting Violation of Section 205(1) of the Advisers Act]**

66. Mr. Johar repeats and restates each and every one of his responses to the allegations in paragraphs 1-51 of the Amended Complaint as if set forth fully herein.

67. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

68. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

69. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

SIXTH CLAIM FOR RELIEF
AGAINST MATHUR AND JOHAR
Fraudulent Transaction, Practice, or Course of Business By an Investment Adviser
[Aiding and Abetting Violation of Section 206(2) of the Advisers Act]

70. Mr. Johar repeats and restates each and every one of his responses to the allegations set forth in paragraphs 1-51 of the Amended Complaint as if set forth fully herein.

71. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

72. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

73. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

SEVENTH CLAIM FOR RELIEF
(Unjust Enrichment or Relief Defendant AMR Realty)

74. Mr. Johar repeats and restates each and every one of his responses to the allegations in paragraphs 1-51 of the Amended Complaint as if set forth fully herein.

75. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

76. Mr. Johar declines to answer and instead asserts his right against self incrimination under the United States Constitution, 5th Amendment, and under the Constitution of the State of Massachusetts.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

The Amended Complaint fails to state a claim against Mr. Johar upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

The SEC's Injunction Claim is not supported by a showing of a likelihood of future violations.

THIRD AFFIRMATIVE DEFENSE

The allegations in the complaint that Mr. Johar aided and abetted fraud through silence or inaction do not constitute knowing and substantial assistance in this Circuit.

FOURTH AFFIRMATIVE DEFENSE

The SEC has not pleaded affirmative acts by Mr. Johar for a single transaction that could constitute knowing and substantial assistance

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FIFTH AFFIRMATIVE DEFENSE

The SEC has not pleaded sufficient affirmative acts such that if proven, scienter would be proven.

SIXTH AFFIRMATIVE DEFENSE

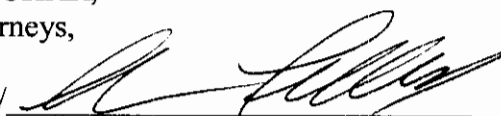
Recklessness is insufficient to prove scienter against Mr. Johar for aiding and abetting a securities fraud in this Circuit

JURY TRIAL DEMAND

Defendant demands a jury trial as to all issues and claims so triable.

RAJEEV JOHAR,
By his attorneys,

/S/



Steven N. Fuller, Mass. Bar. No. 550224
Christine Vargas Suthoff, Mass. Bar No. 658916
NIXON PEABODY LLP
100 Summer Street
Boston, MA 02110
(617) 345-1000

Dated: October 15, 2005

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CERTIFICATE OF SERVICE

I, Steven N. Fuller do hereby certify that this ANSWER OF RAJEEV JOHAR was served by first-class mail this 15TH day of October, 2005 upon:

R. Daniel O'Connor, Esq.
Senior Trial Counsel
Steven Y. Quintero, Esq.
Branch Chief
Risa A. King, Esq.
Enforcement Attorneys
Securities and Exchange Commission
73 Tremont Street, 6th Floor
Boston, MA 02108

Gary C. Crossen, Esq.
Rubin & Rudman, LLP
50 Rowes Wharf
Boston, MA 02110
Tel. (617) 330-7036

/S/ 

Steven N. Fuller, Esq.